

NATIONAL CANNERS ASSOCIATION

Information Letter

FOR N. C. A. MEMBERS

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Board of Directors Meeting

On November 19 the Board of Directors of the Association held their semi-annual meeting at the Sherman Hotel, Chicago. A large majority of the Directors attended the meeting, as well as the Vice-Presidents and Chairmen of the various Sections, and officials of state canners organizations. A brief statement regarding the more important subjects acted upon by the Board will doubtless be of interest.

DISTRIBUTION RESEARCH

Upon recommendation of the Administrative Council, the Board authorized the appointment of a special committee to consider the best method of conducting a systematic research into the subject of distribution and to seek the cooperation of other agencies in conducting such an investigation. The Committee was authorized to make a survey of the situation and report to a subsequent meeting of the Board.

Mr. H. W. Phelps, President of the American Can Company, made a very strong appeal to the Board on the importance to canners of a thorough knowledge of consumer demands and the best methods of marketing and distribution. He pointed out the fact that while in the early stages of the canning industry the most important problems had been those dealing with production, the industry had now developed to a point where production threatened to exceed consumer demand and the industry must plan to study the best methods for securing markets for its products which will keep pace with the growing production.

CANNED FOODS WEEK

Chairman Royal F. Clark of the National Canned Foods Week Committee, stated that, while the Board meeting was being held during the progress of Canned Foods Week, he was safe in saying that the Week this year would be more successful than that of any previous year. Chairmen and sub-chairmen were appointed in over 500 cities and towns with local committees covering a far larger number of markets, which included every state, as well as Hawaii. Supplies for the Week had also been requested and sent to a number of Canadian cities.

Total collections from pledges to the general fund amounted to \$82,980. Of this total \$40,795 was contributed by can manufacturers and machinery and supply firms and \$2,400 by the Glass Containers Association.

Expenditures to date amounted to \$80,053, of which \$55,716 represented the allotments to local markets. The supplies provided without charge to the local committees included 15,000 billboard posters, 600,000 window posters, 105,000 muslin streamers, and 3,000,000 paper streamers. Twenty-five hundred copies of the handbook for local committees and campaign workers were distributed as well as 82,000 copies of the leaflet advising retailers how they could cooperate in the campaign. Two hundred sets of the mats of Canned Foods Week advertisements were ordered by newspapers, local committees, and individual distributors in all parts of the country.

The outstanding features of Canned Foods Week this year were the amount of advertising by local committees, individual dealers, and national advertisers, and the mutual effort made this year to reach and interest the retailer who is really the key man in the campaign.

Complete reports on radio addresses delivered during the Week have not yet been received, but this matter will be covered in the report to be published later.

Chairman Clark deplored the fact that many canners are showing practically no interest in this annual event and are giving it no support financially or otherwise. He pointed out that there is no way in which canners can possibly get more good advertising and increased business for less money than by this campaign.

SURVEY OF CANNED FOOD CONSUMPTION

A very interesting preliminary report of a survey which has recently been made of canned food consumption was given by

E. G. Montgomery, Chief of the Foodstuffs Division of the U. S. Bureau of Foreign and Domestic Commerce. This report was based on questionnaires secured in a house-to-house canvass of typical residence and manufacturing sections of New York City and Bridgeport, Connecticut. The full report will doubtless be published later.

COLLECTION OF STATISTICS

After a lively discussion on the subject of the collection of statistics of production and distribution, it was apparently the unanimous opinion of the Board that every effort should be made as soon as possible to secure statistics of stocks on hand in canners' and distributors' hands which would supplement and make far more valuable the production statistics of canned foods that are now being collected. On account of the active opposition that a small minority of canners have shown to the collection of certain production statistics by the Association, a resolution was adopted unanimously requesting the President and Secretary of the Association to make arrangements with the United States Census Bureau to take over the gathering of production statistics and also to request the Bureau to collect statistics of stocks on hand from primary distributors and canners as of December 31 and June 30. This change, however, not to affect the current statistical work of the Association, including that on the 1926 pack of tomatoes and string beans.

UNITED STATES FOOD LAW ENDORSED

After discussing legislation which is now pending in Congress which would have the effect of modifying or weakening the effectiveness of the Food and Drugs Act, the Board passed a resolution upholding the principle that the consumer is entitled to all information on food labels that has heretofore been required under the Food and Drugs Act.

CANNERY WASTE DISPOSAL

Upon recommendation of the Administrative Council the Board endorsed the work being done in several states on the subject of proper disposal of cannery waste, recommended that the results of this work be published and distributed to Association members as soon as available and directed that the Research Laboratory staff cooperate in such investigations when requested, as far as practicable.

WEST COAST LABORATORY

Vice-President Leonard E. Wood made a report to the Board regarding the installation and dedication of the Research Laboratory in San Francisco, donated to the Association through the generosity of the American Can Company. He pointed out the great service which this laboratory would mean to the canners on the West Coast and the Hawaiian Islands and the arrangements which had been made to supervise and direct this work through two advisory committees, one of practical canners and the other of scientific men.

SEED CONTRACT REVISION

Mr. Laurence Meulendyke, Chairman of the Committee on Revision of Seed Contract, made a report showing that great progress had been made in reaching a common understanding with a similar committee of seedsmen and it is hoped that in the near future the final report could be made and a contract form adopted that would be satisfactory to all parties concerned. President Chase expressed to Mr. Meulendyke his appreciation of the work of the Committee in view of the peculiar difficulty of their task and the Board passed a resolution endorsing their work.

TOMATO IMPORTS

Vice-President H. L. Cannon, Chairman of the Special Committee on Tomato Imports, reported to the Board the work that had been done by the Committee in presenting a petition to the Tariff Commission requesting an investigation, looking to an increase in the present duty on tomato imports. He also reported conferences held by the Committee with state association representatives and with the Tariff Commission. While it is impossible to forecast the action of the Commission, Mr. Cannon is hopeful that they will at least consent to make the investigation requested. In thanking the Committee for its work President Chase pointed out the fact that even if the Committee declines to make the investigation requested, the information that the Committee has secured will be of great use the next time Congress takes up the matter of tariff revision.

CORN BORER CONTROL

The Board passed a resolution commending efforts being made by the Corn Borer Committee to secure the aid of Federal and State agencies and funds in combating the European corn borer.

Report of Secretary and Treasurer to the Board of Directors, November 19, 1926

The report of the Secretary to the Board of Directors will cover in a general way the work that the National Canners Association has done since the meeting of the Board last May in Washington.

The report of the Chairman of the Finance Committee will show the Association's financial condition, and recommendations from the Administrative Council will cover such questions as they deem advisable to bring before this meeting.

Although the year has been a trying one for the canning industry, canners are more and more developing ability to meet the greater problems that the industry is encountering with the world's progress and changes.

Production at present is on a scale which a few years ago would have been considered unthinkable, but with proper handling the industry can meet this situation and successfully market its products to the consuming public, which is constantly growing larger.

Distribution Research

The National Canners Association, during its active years of existence, has always felt that its principal aim should be the betterment of production, and that distribution lay entirely within the province of the broker and distributor. In this respect our organization has consistently followed the policy outlined by those canners who are responsible for its organization and its continued success.

Conditions have heretofore required that emphasis be laid upon production problems, and as a result there was developed research work such as that conducted by the National Canners Association. Need for such work will always exist, and it will always contribute largely to the improvement of the industry's output. But the time has now come when distribution and its problems must be worked out in similar fashion, if the canning industry is to continue its growth on the scale of the last ten years.

An aftermath of the World War is an evolution in business, bringing many changes that seem to have entered permanently into the everyday business life of the manufacturer. Before the War many manufacturers felt that the distribution line which reached to the consumer would keep them informed of the wants of consumers, and that the distributor was the only guide to these consumer wants. Today, in order to be successful, an industry must ascertain from its ultimate buyer, the consumer, what his wants, his wishes, and his tastes may be. This

is true of every kind of business, and applies with far more force to the canning industry than some of us realize.

The method or machinery by which the product is brought from producer to consumer is coming in for more and more discussion. It will be remembered that at the Louisville Convention able and carefully prepared addresses were delivered not only before the main meetings, but the Section meetings as well, on the subject of distribution. These discussions have caused the thinking canner to do still more thinking. The canner has discovered, for example, that distributors' specifications representing consumer needs have changed little in twenty-five years, although in that time general methods of doing business have been revolutionized.

Probably every canner has his own ideas as to what is the matter with respect to distribution. His particular problems and the answers he has to suggest for them will probably differ widely from those of another canner. What seems to be needed, therefore, is a study of the problems as they concern the entire industry, and the industry's relations with both the existing distributing machinery and the ultimate consumer. They are big problems and time will be required to work them out.

No industry can be run intelligently or profitably unless it knows its market—what the market actually consumes, what it may be made to consume, and what is necessary to bring about that maximum consumption. This requires knowledge of the industry, the consumer and his wants, and the machinery of distribution. Without this information—or at least part of this information—the industry and its distributing agencies are working in the dark. Individuals in the industry may succeed for a time under these conditions, but it is the progress and welfare of the industry as a whole that are at stake.

The so-called hand-to-mouth system of buying which was a necessity after the War because of deflated capital, seems to have grown from a temporary to an established policy. In the steel industry, the electric light business, or any other of the great basic organizations that supply human beings with their necessities, the distributor, the man between producer and consumer, apparently feels that he can not assume the burden of over-production, and that he must let the producer carry this responsibility. Studies of over-production in various lines all lead to the inevitable thought that present-day business methods require the producer to assume many burdens which before the War were considered a part of the distributor's service.

Because the canning industry is largely agricultural in character and subject to hazards of agricultural production, there will always be variations in its output from year to year. The so-called hand-to-mouth buying, if it continues, will result

in particular hardship to the canner, because his source of supplies is subject to the vagaries of nature which can not be anticipated until weather and climate are standardized. But if the capacity and the production of the industry continue in excess of the actual consumption, there is need for something more. The answer, in short, is either curtailment of production or measures that will bring about a wider and larger use of canned foods. And such measures can not be taken without adequate knowledge of the present consumption of canned foods, the reasons they are or are not used, and what needs to be done to create consumer prejudice in favor of rather than against canned foods.

We have some information on the industry and the consumption of its products, but not much in comparison with what we ought to have. The Census Bureau every two years compiles production statistics. Our Association compiles annual figures on the output of canned corn, peas and tomatoes, and this year for the first time it is getting statistics on string beans. Figures on stocks are lacking. Consumption statistics such as we have are mere estimates based on inadequate data. Fragmentary information is available on the per capita consumption of canned foods in certain classes of the population and in certain localities.

The U. S. Bureau of Home Economics has made some studies and it plans further work; the Department of Commerce has a survey under way about which you will be given a preliminary report at this meeting; trade journals like the Meredith Publications and newspapers like the Milwaukee Journal, have done some work; the Bureau of Labor Statistics has collected some data through its cost of living investigations. But all these are only small bits of the entire picture that the industry should have if it is intelligently to chart its course in the next five or ten years.

The first step toward working out the problem is to get a proper idea of the problems and its many ramifications. The one thing certain is that there is no ready-made answer to be had for the asking.

It is suggested that comprehensive scientific research comparable to the technical and physiological research that has been carried on by the National Canners Association for years be started at an early date. There are many agencies which are willing and anxious to help. Whatever is done should be done from the viewpoint of the entire industry as it relates to its service in supplying the world with a large portion of its desirable foods.

Research, such as is contemplated, should immediately enlist the sympathy and help of both broker and distributor. Their

a part of the service and an important link in the chain which stretches from producer to consumer. Should any research on distribution be approved, it is earnestly recommended that the cooperation of these two important factors with the canning industry be solicited and encouraged in every possible way.

The Association's Service

To attempt to cover all the various lines in which the Association serves its membership would make this report too lengthy. It will, therefore, refer specifically to some of the outstanding features of our work and those of most general interest.

At the last meeting of the Board a question was raised about the service which the Association's counsel is in position to render to members in connection with disputes between buyer and seller. At the request of the Board, this subject was referred to Judge Covington's office and the following statement expresses their attitude:

Disputes arise from time to time between members of the Association and persons to whom they have sold canned foods. The canner in question will often write to the Association asking for an expression of opinion as to what his rights are, and for advice as to the best way to assert them.

It has been the practice to refer such letters to counsel for the Association. In many cases, the clear marshaling of the facts by the Association's counsel and the opinion given in form that can be readily understood by the business man, is sufficient to settle the dispute. If litigation ensues, however, the Association, through its counsel, is ready to assist the member in finding a local lawyer competent to try the case, and the facts already developed and the opinion given are, of course, helpful to the local counsel.

Thereafter the Association is always ready to give information as to trade practices and to furnish information about the industry which is of assistance to the lawyer trying the case. The counsel for the Association are also ready to cooperate by giving any advice that they can in view of their general familiarity with the industry. The Association does not, however, undertake the prosecution or defense of any cases of this sort. These trade disputes are matters which are personal to the particular firm involved and seldom involve new principles that are of general importance to the industry.

Consumer Complaints

In accordance with the action recommended at the last meeting of the Board, the Association has offered to cooperate with jobbers in investigating complaints against products of our

members. A special letter was sent to jobbers and chain stores in New York City and New England, offering our help in connection with such claims.

Comparative figures for 1925 and 1926 show an increasing demand upon the Association for the investigation of consumer complaints. The figures also show that these claims are concentrated largely in New York and vicinity, Boston and vicinity, and the Middle West.

On account of the great number of claims arising in New York and vicinity it seemed advisable to have a local law firm handle the legal end of the cases there for us. We are fortunate in having been able to make such an arrangement, and it has proved very helpful.

The conclusions reached regarding the nature of the claims as a result of these investigations make an interesting study. It is most significant that the claims without foundation or that are false and fraudulent amounted to 74 per cent during the two-year period just closed, while the apparently bona-fide claims involving commercially canned foods were only 8.5 per cent of the cases investigated.

Bacteriological Field Survey

At the May meeting of the Board it was announced that a temporary field laboratory was being established to conduct an intensive study of the sources of resistant bacteria in corn and pea canning plants and of the conditions under which such bacteria so multiply as to increase the time or temperature of process necessary to prevent spoilage. This was the chief work of our bacteriologists during the pea and corn seasons, and the results will be an important contribution to the Research Laboratory's series of process studies. The results obtained are now being correlated, and it is expected that they will be announced at the next convention.

This study showed, for example, that wooden brine tanks, under conditions which we have not yet been able to define, may become contaminated by thermophilic bacteria to such an extent as to cause spoilage under operating conditions that would otherwise yield a sterile product. The remedy for this source of contamination is obvious.

Perforations

Formation of hydrogen and perforations in canned fruits is a complicated problem, as each fruit has its specific way of attacking the can. Some have a corrosive action only on iron, while others attack mainly the tin. It is now possible to duplicate the various types of corrosion artificially, and this helps much in understanding the problem and pointing to its ultimate

solution. For a considerable time an attempt has been made to secure cans of the so-called stainless steels, which have until recently been too brittle for can making. Plates of a chromium-iron alloy and also of a chromium-nickel-iron alloy, with properties suitable for can manufacture, have just been completed, and these will shortly be made into cans for experimental packs.

During the summer a careful study of canning conditions was made with a view to pointing out improvements that will tend to minimize canners' losses. A considerable number of instances of under-cooling and rough handling of cans came to notice, and in very few cases was the canner aware that they have a bearing on the perforation problems. The survey is therefore felt to have been decidedly worth while, and can well be followed up another summer.

Vitamin Studies

Work on the vitamin content of string beans and beets is now being prepared for publication. During the summer a re-test was made of the spinach which was canned and tested three years ago and its vitamin content was found unchanged.

Information secured indicates that the salt used for soaking apples has some effect in preventing vitamin C destruction in subsequent canning. It is planned to get more information on this point, because it is bound to have several practical applications with other products.

During the summer ten packs of concentrated tomato products were made, including concentration in vacuum and open kettles, tinned and untinned; also packs of filtered tomato juice. Various lots of strawberries were canned under different conditions, which it is hoped will give more information as to the nature of vitamin C destruction. This winter's vitamin work will be largely on these lots of strawberry and tomato products.

Disposal of Cannery Waste

During the last few years officials of canning states have shown an increasing tendency to require the purification of liquid wastes from canning plants to such an extent as may be necessary to protect streams from pollution. Many canners have devoted much time and expense to the solution of this question, and have installed disposal systems that answer their needs. During the past year officials in three states have indicated their intention to require that adequate provision be made by all canning plants for handling liquid wastes.

The equipment necessary to handle liquid wastes is largely an individual question with the various canning plants. At the same time it is hoped that some general principles may be developed which will assist the individual canner in meeting the

situation. With this in view the Association requested the United States Public Health Service to participate in a general study of the question. The Public Health Service has already conducted studies with the liquid wastes of tomato and baked bean plants, and reports of these investigations have been published. It was felt, therefore, that that organization would be peculiarly fitted for leading in the general study of the subject. The Public Health Service decided, however, that its engineering branch was so fully occupied with problems already in hand that it could not undertake the work requested.

At the last conference with the Public Health Service regarding this matter, it was suggested that an experienced sanitary engineer be retained to devote several months to a survey of the situation, with a view to formulating the exact problems that confront the industry, in order that further investigation might be planned more intelligently. When this suggestion was made the season had progressed so far that it was thought inadvisable to attempt a survey during 1926.

In the meantime important progress has been made in three canning states, with the active cooperation of the health departments of those states. The experience gained in these investigations will be of great value in formulating plans for the coming year.

The Wisconsin State Board of Health, with the cooperation of the canneries of that State, installed an experimental disposal plant and operated it throughout the season. A report of the work of that plant was given by the State Sanitary Engineer, Mr. C. M. Baker, at the recent meeting of the Wisconsin Canners Association.

The Michigan Canners' Association installed an experimental disposal plant in connection with one of the canneries of the State, and employed a chemist to take charge of it throughout the season, this chemist working in cooperation with and under the direction of the State Department of Health.

The Ohio Canners' Association appointed a committee to take charge of investigations relating to the purification of canners' wastes, and provided funds for the work. Several processes for treatment were studied under the direction of a competent consulting engineer. In speaking of this work, Dr. John E. Monger, Director of Health in the State of Ohio, writes as follows: "We are proud of the work done by this Ohio committee and feel that they have accomplished much in seeking a solution to the problem of disposal of wastes from the canning industry." The report on this work will be given at the coming meeting of the Ohio Canners' Association.

In each of these investigations substantial progress has been made in the study of practicable methods for the disposal of liquid wastes. When the reports of these investigations are all available, they will add much to our knowledge of the subject.

Study of Tin Salts

As you have already been advised, the Bureau of Chemistry has been conducting feeding experiments planned to throw additional light on the fate of tin in the body when ingested with foods. This work has been under active consideration since October, 1925. The work is now nearing completion and the final report should be ready within the next three months.

Laboratory Service to Individual Members

During the last six months the Research Laboratory has examined and reported upon 170 samples sent in by our members. Over 100 of these were requests for a determination of the cause of spoilage or other abnormal conditions such as discoloration or unnatural flavor. There was also a considerable number of samples of which it was only necessary to make a cursory inspection. During the same period in reporting the samples mentioned above and in other correspondence of similar nature, the laboratory wrote something over 1,500 letters, of which over 1,100 dealt with technical subjects requiring considerable study.

West Coast Laboratory

The new laboratory of the Association at San Francisco, equipped with the most modern scientific and mechanical apparatus, was dedicated on October 12, 1926. This laboratory with its entire equipment is a gift to the Association from the American Can Company. The industry owes that company an immeasurable debt of gratitude for this additional evidence of its deep interest and its desire to place the industry on a thoroughly sound and scientific basis.

A representative advisory committee of canners and a research committee of scientific men have been organized to supervise the work of the new laboratory, which is closely linked up with the University of California.

Chicago University Research

Dr. Jordan reports encouraging progress in the research on food poisoning being carried on at Chicago University under the annual grant from this Association. This report will touch only upon the most important matters covered in his report.

Studies in progress on botulism include one relating to the effect of reduced pressure (such as is present in most food cans), on botulinus bacteria; another on the behavior of such bacteria in the body.

A very important line of work being continued is that concerning the toxins of the so-called paratyphoid group of bacteria, which toxins, according to published reports of Dr. Sav-

age, a noted food official of England, sometimes survive the process in certain canned foods, notably meats and fish. Results so far obtained indicate that these bacteria do contain poisons which are heat-resistant, but they are not true, soluble toxins and do not appear to injure laboratory animals except when injected directly into the veins.

Fifty-four outbreaks have been investigated personally by Dr. Jordan's staff and by correspondence and many samples of food were examined in connection therewith. Ten scientific papers have been published.

In concluding his report Dr. Jordan says "The results of the past year's work, while not sensational, have laid a fundamental foundation for further investigation and are, I believe, of real scientific importance."

European Corn Borer

The very rapid spread of European corn borer into the sweet corn canning regions is a matter of most serious concern to every corn canner. During the past year the area of infestation has spread, according to the findings of the U. S. Bureau of Entomology, into 444 additional townships in New York, Pennsylvania, Ohio, Michigan, and Indiana.

Further, in the 1925 infested areas of Michigan there was this year an increase of about 300 per cent in the number of stalks infested, and 500 per cent increase in the number of borers per stalk. In the infested areas of Essex and Kent counties, Canada, the decrease in corn acreage since 1924 as reported is about 90 per cent.

The corn borer, which is characterized by leading authorities as the greatest menace that has ever confronted American agriculture, has now made its way entirely across Ohio and has been discovered in the eastern counties of Indiana, showing an alarming rate of progress toward the great corn growing regions of the Mississippi Valley.

Following a meeting of state and federal officials with others interested in the corn borer problem at Chicago a year ago, a committee was appointed to develop further cooperation between the interested states and the federal government, and the various industries directly affected. Dean C. F. Curtiss, of the Iowa Agricultural Experiment Station, acting as chairman of the International Corn Borer Organization, appointed an Executive Committee a few weeks ago, under the chairmanship of Director G. I. Christie of the Indiana Agricultural Experiment Station. This Executive Committee has been actively at work since its organization, carrying out plans towards securing substantial increases in the federal and state appropriations for corn borer work, and in general a stiffening up of the fight all along the line against the menace of this dangerous pest.

Conferences were held in Washington the latter part of October with the Secretary of Agriculture, the Director of Scientific Work in the Department of Agriculture, the Assistant Director of the Budget, and with the authorities of the Bureau of Entomology. The Executive Committee has also enlisted the cooperation of the Meat Packers Institute, and arrangements have been made to secure assistance from the Land Grant College Association, which meets in Washington November 18 and 19.

Press reports indicate that Congressman Purnell of Indiana has addressed letters to Senators and Representatives of fourteen states affected or threatened by the European corn borer, urging them at once to join with him in an appeal to President Coolidge, Secretary Jardine, and General Lord, Director of the Budget. Mr. Purnell hopes in this manner to pave the way for immediate consideration, when Congress convenes in December, of a special appropriation for combating the corn borer.

The Executive Committee of the International Corn Borer Organization, on which the National Canners Association is represented, has conferences scheduled with the Bureau of the Budget and the Secretary of Agriculture for November 18 and 19. Plans which have been discussed informally indicate that there is need for increasing the funds available for the corn borer fight by some three million dollars.

Canned Foods Week

While Canned Foods Week does not close till November 20, the Chairman of the National Committee will make a preliminary report to the Board upon the organization and finances of this year's campaign. This year's work has been notable for the active interest and cooperation shown by the committee members representing the participating associations, who have assisted the Headquarters Office at Washington whenever called upon, and in every way they could render service.

Advertising

One of the most progressive steps that the industry is taking is the advertising of individual commodities. For several years the splendid advertising campaign of the Hawaiian pineapple canners has been an inspiration, and it is being followed by several other branches of the industry.

The asparagus canners of California are now conducting an active campaign; likewise the salmon canners, who have just arranged to continue their work for a second season.

Recently the pea canners, at an enthusiastic meeting held in Milwaukee, decided to raise an advertising fund of \$300,000.

While the full amount has not yet been subscribed, there is no question that they will be successful, and through their efforts will largely increase the consumption of canned peas.

Canners of other commodities are contemplating similar action.

United States Warehouse Act

Since the last meeting of the Board, the Secretary of Agriculture has placed canned foods on the list of agricultural products eligible for storage under the provisions of the United States Warehouse Act. The Department of Agriculture has also issued rules and regulations governing the licensing of warehouses and storage of canned foods in such warehouses.

At the meeting of the Administrative Council last May, this Act was approved in principle. While there may be considerable difference of opinion regarding the value of the Federal Warehouse system to the canning industry, there is no question of the value of having it officially recognized as an agricultural industry, which will place it in a better position to receive the benefits of legislation favoring agriculture and agricultural products.

The application of this Act to the canning business has been discussed on several occasions with the Department officials having charge of its enforcement. The Association has been asked to cooperate with some of the state associations in appealing to the Federal Reserve Board to recognize warehouse receipts for canned goods, issued under supervision of the Government, as eligible collateral for commercial paper subject to rediscount by the Reserve Banks.

To get warehouse receipts which will be beyond question for collateral purposes, there must be disinterested as well as responsible custodianship of the products. In other words, the canners must adopt a warehousing system which will not only have the approval of the Department of Agriculture, but which will also appeal to the Federal Reserve Board and other banking interests. This could be accomplished either through the corporate form of organization, leasing the warehouses of the canners to this warehousing corporation, or by leasing them to some responsible, disinterested and competent individual.

The Department officials suggest that should the matter be taken up with the Federal Reserve Board, a full presentation of the warehousing procedure, type of warehouse receipt, methods of grading and inspection will be desired by the Board before passing on the question. The Agricultural officials have promised to cooperate in any organized effort to take this subject up with the Reserve Board.

Tin Plate Research

It is regretfully announced that the Committee on Standardization of Tin Plate for Canners' Cans, which has been in existence since 1920, has been unable to report its usual progress on account of the unfortunate illness of its chairman.

Dr. W. E. Elwell, who has served as Chairman since the Committee was created, has been so ill that he finally decided to present his resignation to President Chase. This has been regretfully accepted by President Chase, and a new Chairman of the Committee will shortly be announced.

There was a general meeting on tin plate specifications held in Pittsburgh on October 4th. This meeting was called by H. A. Stacy of the office of the Budget Director of the United States Government. A report of the proceedings at Pittsburgh will probably be made at this session of the Board.

Cooperation with Government Departments

The Committee on Cooperation with the Bureau of Chemistry has continued its efforts to carry out the agreement made with the Bureau of Chemistry officials at the conference at Louisville last January. The spirit shown by the canners toward the committee's suggestions regarding the elimination of swells and other abnormal cans is most encouraging. Chairman Royal F. Clark will report to the Board on this matter.

The Association has continued its policy of cooperating in every possible way with the various Government Departments. Recent examples of this policy include the Association's cooperation with the Department of Agriculture in connection with the United States Warehouse Act; with the Federal Specifications Board of the Bureau of the Budget as regards specifications for tin plate for food containers; with the Department of Justice on customs cases involving canned foods, and with the United States Tariff Commission on canned tomato imports.

Simplification of Containers

A report for the Committee handling this subject will be made to the Board by the Chairman of the Committee, Mr. L. S. Argall.

Pro-Rata Contracts

This important committee will hold a session at the time of the meeting of the Board of Directors, and will doubtless present through its chairman, Mr. Norman J. Griffith, a report of the progress that it has made.

The pro-rata contract is of the greatest importance to both canner and distributor, and should and will be safeguarded in every possible way.

Seed Contract Revision

Since the last meeting of the Board the Committee has been in close touch with a committee from the seed trade in the endeavor to work out modifications in the present contract form, the effect of which would be to remove some of the frequent causes of irritation between seller and buyer arising out of the present methods of merchandising seeds.

The committee of seedsmen has had under consideration for some time proposals which the canners' committee has advanced, and has recently presented the results of their consideration of the various points to Mr. Meulendyke, Chairman of the canners' committee. While the work of the committee is not finished, a detailed progress report will be presented at this meeting of the Board.

Tomato Tariff and Customs Cases

President Chase appointed a special committee to take charge of the work of petitioning the Tariff Commission for an investigation of canned tomato imports and for the maximum increase in duty allowed by the Tariff Act on such importations. Mr. H. L. Cannon, Chairman of that Committee, will present a report of definite progress made by the Committee.

In addition there are two customs cases involving canned foods which should be mentioned, one involving the classification of canned pimientos and the other the classification of tomato paste or sauce. These cases have been carried to the Court of Customs Appeals by the importers and were argued before that Court last month. A decision on both cases will probably be handed down before the end of the year. Should these decisions be adverse to the Government and the domestic industry, the Association will consider what steps should best be taken in the interest of its members.

An arrangement has recently been made whereby the Association will secure information in advance about customs cases involving canned foods. The Association is therefore in a better position to protect the domestic industry and assist the Government by suggesting witnesses and furnishing information that will secure the proper classification of such imported foods before the case is taken to the higher courts.

Freight Rates

In accordance with the decision of the Board at its last meeting respecting the traffic policy of the Association, Mr. E. S. DePass, who had been representing the Association in the cases known as Dockets 17906 and 17776, advised the Interstate Commerce Commission that the Association wished to withdraw from both. At the time these cases were filed they

were both given the caption "National Canners Association, et al vs. Railroads," and the continuance of these titles in later references to them led to some confusion as to whether appropriate action had been taken withdrawing the Association from participation. In both, however, the formal withdrawal is a matter of record in the Interstate Commerce Commission.

The Official Classification Committee having proposed to change the classification on tin cans from fourth class to Rule 26, and as this change would result in an increase in the freight rates in the territory covered by the Official Classification Committee and might become the basis for similar action in other Classification territories, a protest was filed at the direction of the Executive Officers of the Association, who were authorized by the Board to take such action in matters affecting the industry as a whole. The protest was in the form of a brief filed by Mr. DePass at the hearing conducted by the Official Classification Committee in New York City. At this hearing, statements in opposition to the proposed change were also made by the traffic managers of the American Can Company and the Continental Can Company. The latest advices are that the Committee has taken no action on the matter and that the prospect is for no change in the classification, at least in the immediate future.

Statistics

The Board of Directors at its May meeting expressed approval of the general plan to collect statistics on holdings of canned foods in canners' warehouses, provided distributors gave similar information. The collection of these statistics would be made through the Census Bureau of the United States Department of Commerce. The Conference Committee of the National Wholesale Grocers Association has expressed general approval of the plan, and the same favorable expression has been made by officials of the American Wholesale Grocers Association and the National Chain Store Grocers Association. The Chairman of the Conference Committee with Distributors, Mr. Royal F. Clark, will probably bring this matter to the attention of the Board of Directors for further discussion.

This year our Association has undertaken for the first time to collect statistics on string, wax and green beans. The Board of Directors at its May meeting requested the Secretary's office to get from canners of this product an expression whether or not they desired the collection of these statistics. The favorable replies represented a very large volume of the industry, and President Chase approved of the action of the office in collecting the figures.

While a great majority of the canning industry seems to be in favor of production statistics as they have been collected

by the Association since its organization, there is still a minority offering active opposition. Those who oppose the collection of statistics are advised that the Secretary's office is under instructions from the Board of Directors to perform this service, and that it has no other option than to carry out the orders of the Board.

In the distribution of the statistics it collects, the Association follows the only method that has the sanction of the law—that is, making them available simultaneously to all who may be interested.

In July the United States Census Bureau addressed a letter to a selected list of canners asking their opinion on a tentative plan it had formulated for an annual census of the pack of the principal fruits and vegetables. This inquiry was interpreted by some who received the letter as a request for figures on this year's pack. Accordingly, a conference was arranged with a representative of the Bureau and it was explained that a thorough understanding of the Bureau's plan, its scope and its relations to the Association's statistical work was necessary to make the plan a success. The Bureau is ready to go ahead with its plan for this annual census if the Bureau and the canning industry can arrive at an agreement as to the scope of the work and other features.

1927 Convention

After a full consideration of over twenty invitations from as many cities which desired to entertain the Convention, the Location Committee for the 1927 Convention has selected Atlantic City.

The date for the Convention recommended by the Location Committee is the week of January 24, 1927, and the Board will be asked to ratify this date.

Pending Legislation Affecting the Food and Drugs Act

The so-called corn sugar bill, to amend the Food and Drugs Act so as to allow corn sugar or dextrose to be used in foods without declaration on the label, was passed in two different forms by the United States Senate and House. The House bill would have made no change in the present law as it relates to canned foods, while the Senate bill would have permitted the use of corn sugar or dextrose in such foods without declaration. Senator Cummins tried to get the Senate to concur in the House bill before Congress adjourned, but without success, and the bills are left pending in Conference. The death of the Senator and the strong opposition of the Department of Agriculture and others makes the fate of this legislation at the next session very doubtful. The Agricultural Department opposed it solely

on the ground that it would weaken the Food Law and set a bad precedent for future similar exemptions.

The bill introduced by Senator Williams of Missouri to amend the Food and Drugs Act was called to the attention of the Board at its last meeting and the subject was referred to the Executive officers with power to act. With the unanimous approval of those officers, on July 24, 1926 a letter was sent to Senator McNary, acting chairman of the Senate Committee on Agriculture and Forestry, expressing the opposition of the Association to this bill on the ground that it would weaken the effectiveness of the Food and Drugs Act, which has been a great protection to the consuming public and to producers of high-grade products.

The Clerk of the Senate Committee has promised to notify the Association should any further hearings be held on the Williams bill. At a hearing held by the Senate Committee last May, Mr. Campbell, Director of Regulatory Work for the Department of Agriculture, made a very strong statement in opposition to this bill.

The bill introduced by Congressman Hammer of North Carolina which would have required the dating of foods in sealed containers was still in committee at expiration of the last session of Congress.

Foreign Food Laws

Regulations of the Argentine Government requiring that certain canned foods imported into that country be packed in lacquer-lined cans, went into effect on November 11th, according to the latest advice received through the United States Department of Commerce. The regulations apply to canned foods having more than a certain acidity determined according to a prescribed method.

The Association maintains that that method is not a measure of acidity in such nitrogenous foods as canned fish and that acidity is not always an index of the corrosive action of a food on tin plate. It has filed a statement with the United States Department of Commerce to be used as a basis for protest through the proper diplomatic channels. The United States Bureau of Chemistry has also indicated to the Department of Commerce its views on this subject, which are substantially in accord with those expressed by the Association.

Tariff Revision

When the present tariff law was being framed by Congress, the National Canners Association, largely through the efforts of the late C. H. Bentley, made every possible effort to have inserted what is known as a trading clause, which would enable

the President of the United States to make reciprocal tariff arrangements with foreign countries under conditions which it was proposed to insert in the law.

The canning industry is growing so rapidly that it is compelled to seek export outlets, having in mind more especially the establishment of a regular export trade that will enable the industry to expand as it properly should, rather than merely the disposal of surpluses.

American canned foods, as a rule, are favorably received by consumers in foreign countries, but some of these countries have seen fit to erect tariff barriers that are practically prohibitive. The industry is powerless to meet these tariff restrictions without the assistance of the United States Government, and when the next tariff bill is being prepared, the National Canners Association will again request the insertion of a trading clause, to enable the President to effectively deal with those countries which have put up tariff barriers that serve to make canned foods luxuries and thus reduce their consumption.

President Chase expects shortly to appoint a committee to gather the necessary information and to make the proper presentation to the Ways and Means Committee of the House, and the Finance Committee of the Senate, when new tariff measures are being considered.

The Association Suffers Another Great Loss

James A. Anderson, of Morgan, Utah, President of the National Canners Association in 1923, passed away at his home on November 17 after a brief illness due to pneumonia. Funeral services which were held on November 21 were attended by President Chase and others prominent in the canning industry.

In the death of Mr. Anderson the Association has lost the third of its former Presidents within the present year. Mr. Anderson has always taken a very prominent and active interest in the work of the Association and has always stood ready to put his shoulder to the wheel and help with his own effort and with his financial support any movement to promote the welfare of the industry. Mr. Anderson, or "Jimmy," as he was familiarly known, was not only a loyal and sincere friend to all canners, but he was ever ready to extend a helping hand to anyone who sought his help or advice. His cheery smile and words of counsel will be greatly missed in the various canners' meetings of which he was always a faithful attendant. Mr. Anderson was National Chairman of the Canned Foods Week Committee during 1924 and was the Western representative on that Committee in 1925 and up to the time of his death. He was also a member of the Executive Committee of the Association.

Corn Pack Statistics

The Association's compilation of statistics of the 1926 production of canned corn issued under date of November 22 shows the output to have been 19,069,000 cases expressed in terms of No. 2 cans. This compares with a pack of 24,320,000 cases in 1925; 12,131,000 cases in 1924; 14,106,000 cases in 1923; and 11,419,000 cases in 1922.

New Popular Bulletin on Canned Peas

Under the title "Peas in the Diet," the Extension Service of the College of Agriculture, University of Wisconsin, has published a very interesting and attractive bulletin prepared by Miss Abby L. Marlatt, Head of the Home Economics Department at the University.

The bulletin discusses the subject of the nutritive value of peas, the various grades and sizes of peas and gives a large number of recipes for their use.

This Association will be glad to send a limited number of copies of this bulletin to any of its members on request.

Customs Duty on Tomato Sauce

In the case of Schroeder Brothers vs. the U. S. (Suit No. 2752), referred to in our Membership Letter No. 160, the Court of Customs Appeal has just handed down a decision affirming that of the lower Court in assessing duty on a product at 40 per cent ad valorem as tomato paste, instead of at 15 per cent ad valorem as tomato sauce, the claim of the importers.

Proposed Penalty on Fiber Containers

At the annual meeting of the National Industrial Traffic League held in New York City November 17-18, a special committee was appointed to confer with the steamship lines on their proposal to penalize all shipments in fiber containers.

That committee conferred with the committee of the Trans-Atlantic steamship companies regarding proposed surcharge of ten cents per hundred pounds or five cents per cubic foot on shipments packed in fiber containers. As a result of this conference the Steamship representatives made the following tentative proposal:

"The Lines proposed to continue experiments with regard to the handling of shipments packed in fibreboard veneer and plywood cases on the following basis:

1. "A committee representing the steamship Lines will shortly announce the minimum weight or strength of fibreboard veneer and plywood which may be used in packages for export.
2. "The steamship committee will designate the articles which the lines are prepared to accept experimentally packed in fibreboard veneer and plywood cases.
3. "The committee will recommend to the Conference Lines the suspension of the proposed additional charge for fibreboard and veneer plywood cases during the experimental stage.
4. "The committee will receive applications from shippers to add to the list of commodities, from time to time as may be required, which may be carried in fibreboard veneer and plywood cases during the experimental stage.
5. "The committee will also, in considering the commodities to be carried, definitely state whether the fibreboard cases are to be sealed with glue or with staples and also nominate the packages which must be band strapped. (Wire strapping will not be acceptable).
6. "During the experimental period the clause published in Circular regarding this subject as follows: 'Packages insufficient in strength, insufficiently protected, it is agreed that the shipper assumes all risk of

"loss and or damage not occasioned by negligence of the carrier" will be inserted in the bills of lading and other documents.

"It will be noted that the surcharge will not become effective during the experimental period, which may extend beyond January 1, 1927.

"Interested shippers using the above described containers, and desiring to continue their use, will be required prior to December 1st to file an application with the Secretary of the Trans-Atlantic Conference, No. 8 Bridge Street, New York, describing the product to be shipped (that is, weight, measurement, value, etc.); also the type of container giving full information as to construction (thickness, test of board, resistance, etc.)

"This information is necessary to enable the steamship companies to conduct and determine the proper standard package and commodities that can be safely handled in water transportation.

"When the list of acceptable commodities and type of container, is designated by the steamship companies, it will be necessary for every shipper whose product is not covered therein, to present his case to the Conference Committee."